

Innovation of Future Companies

# Marketing Research and The lifecycle of Small and Medium Companies

Third Session



# At the end of the session we expect the following:

Understand what marketing research is

Understanding of marketing research during the pre- introduction stage

Understanding of marketing research during the introduction stage

Understanding marketing research during the growth stage

Understanding marketing research during the decline stage



# Training Areas



Marketing research concept



Marketing research (pre- introduction stage)



Marketing research (introduction stage)



Marketing research (growth stage)

Marketing research (decline stage)

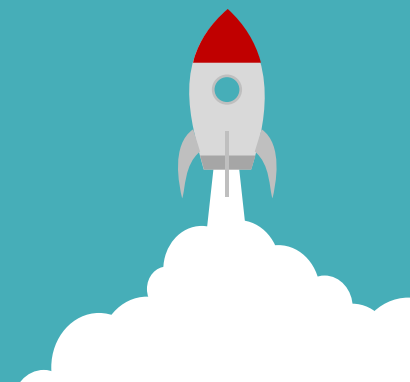
# Participants Expectations



Write down expectations  
on the wallpaper



# Pre-Test



What do you know about marketing research? What is its importance during the development of small business?

Write the question on the wallpaper

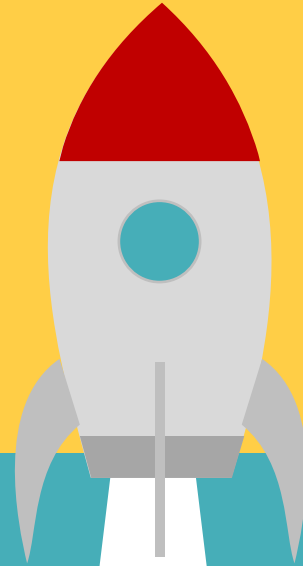
**Direct question to the participants**



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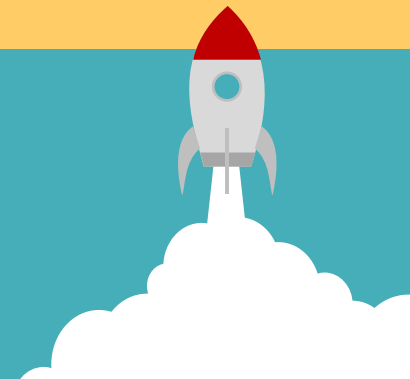
# **Marketing Research Concept**

## **Basic Concepts**



# Marketing Research

Before taking the concept of marketing research and its types, you must first know some of the most important concepts which constitute the main source for any market research that you may carry out.



# Small and Medium Business Lifecycle

It is the initial stage of introducing the product to the market. Revenues and cash flows are usually low at this stage. Startups usually fail at this stage.

## Stage 1

The Introduction Stage

It is the stage in which small and medium-sized companies begin to emerge and grow in terms of revenues and cash flows.

## Stage 2

The Growth Stage

It is the stage that is characterized by a kind of stability in revenues and cash flows, a high ability to control expenses, and achieve high financial returns.

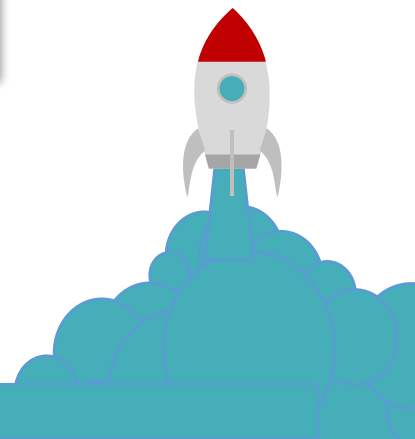
## Stage 3

Stability and Maturity Stage

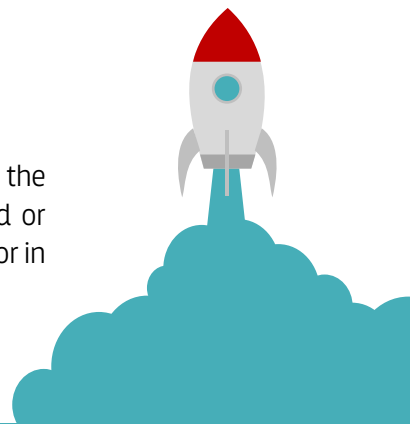
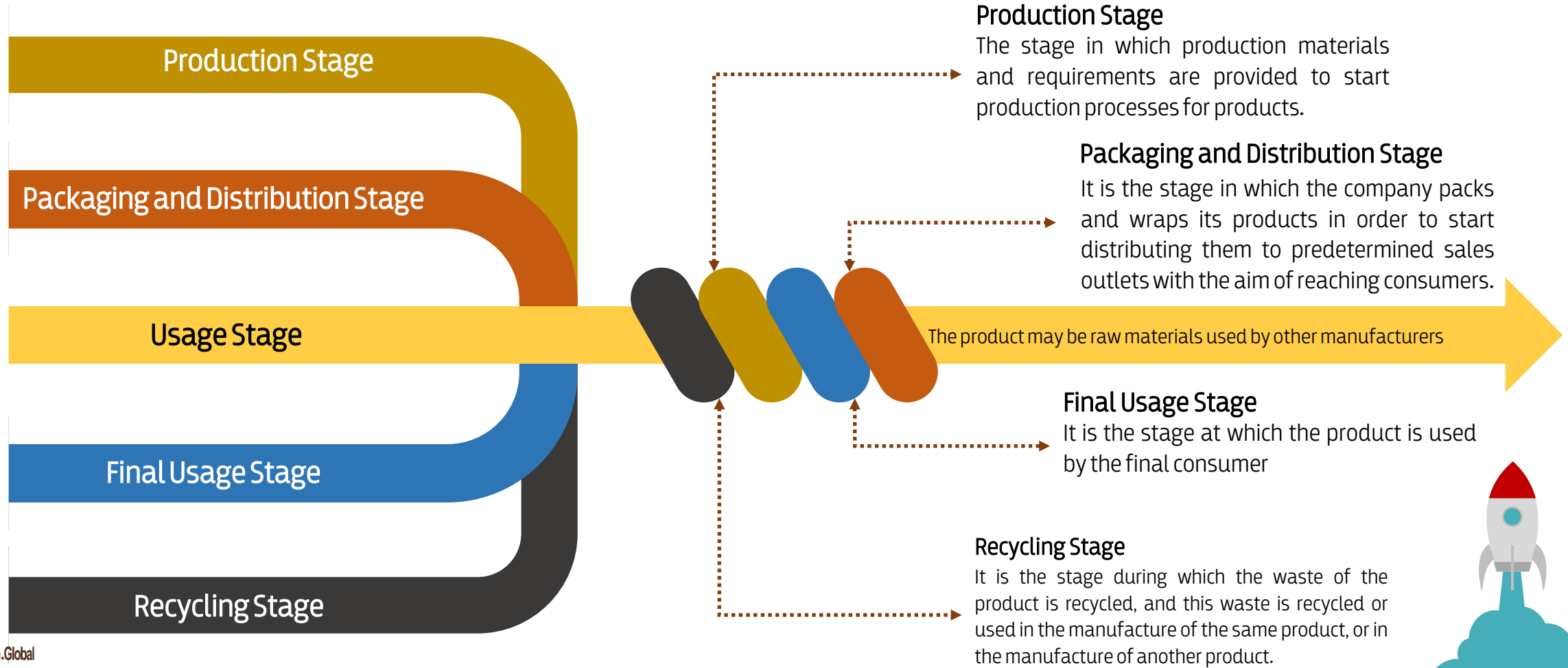
It is the stage in which revenues and cash flows decline, with the inability to control the ever-increasing rise in expenses.

## Stage 4

Deterioration and Decline Stage



# Products lifecycle



# The Marketing Mix (7Ps)

## 7Ps

### People

These are the operations that concern all the regular or legal persons interacting with the products and services provided by the company.

### Process

They are the processes that concern the product journey, from production to reaching the final consumer, with the aim of achieving the compatibility of products with the customers needs, achieving and gaining their.

### Physical Evidence

They are all indicators that confirm the extent of experience and competence of companies in providing products and services, through which they can gain consumer confidence in their products and services.



### Product

All processes related to production specifications and standards, production, packaging, storage, etc.

### Price

All processes related to pricing the product according to sales outlets through the use of a mixture of pricing methodologies.

### Promotion

All operations related to advertising message and means of advertising, personal selling, promotional materials, publication and relations.

### Place

All operations related to distributing the products offered by the company, identifying distribution outlets, and where the products are located for the purpose of displaying and selling them to consumers.

# Porter's Five Forces



# Study of Porter's Five Forces



## What We Study in Buyer Power

The more options there are for buyers or subscribers, the more negotiating power they have to get better quality, more products and services at a lower price.

# Study of Porter's Five Forces



## What We Study in Supplier Power

The bargaining power of suppliers increases if they are the only suppliers of this type of equipment, or if the alternatives are few, or if it is difficult to change suppliers. This is why you should think about suppliers for your company.

# Study of Porter's Five Forces



## What We Study in Threat of New Entry

Who are the expected competitors to enter the market in the near future?  
Which sector attracts competitors' attention the most? What kind of competing services are expected to enter the market within the next year and within the next five years?

# Study of Porter's Five Forces



## What We Study in Threat of Substitution

What products can be an substitute to your products and services? Think about other products that the consumer can use instead of your products.

# Study of Porter's Five Forces



## What We Study in Competitive Rivalry

Who are the competitors in the market? How intense is the competition? What are competitors' weaknesses and their strengths?



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# SWOT Analysis

## Weaknesses

Weaknesses in one or more of your company's inputs, processes, and outputs.

## Opportunities

Opportunities that result due to a change in one or more external variables (general or specific)

## Strengths

They are all the advantages that characterize your company and they are a source of strength in achieving more profits and cash revenues.

## Threats

They are the threats that your company faces and hinder its progress and prosperity (Threats are usually external).

SWOT

Weaknesses

Strengths

Opportunities

Threats



# Marketing Research



- Marketing research is considered the basis for developing small and medium businesses, and it is worth noting that market studies vary depending on the project's lifecycle.
- Marketing research is a process of collecting data and information, and working on analyzing it during the lifecycle of the product, starting from the stage of analyzing the needs of the market and customers, to providing raw materials, manufacturing, storage and transportation to the consumer, recycling, etc.
- Marketing research focuses on the customers needs, the market, competitors, and the optimal marketing mix (product, price, promotion, place, people, processes, physical evidence)



# Marketing Research



Marketing research is a combination of data a company collects about one or more of the following:

- 1 Studying the external or general marketing environment.
- 2 Studying the specific marketing environment (Porter's Five Forces).
- 3 Marketing Mix Study.
- 4 Studying the product, its lifecycle and its environmental impact.
- 5 Consumer Study.



# Types of Marketing Research

## Study of Marketing Environment

It is an in-depth study and analysis of all environmental variables (general and specific) that have a direct and indirect impact on the activity of small and medium-sized enterprises

## Consumer Study

It is about collecting data and information about consumers, their characteristics, preferences, purchase frequency rates, and their satisfaction on the products and services they use, etc.



## Market Study

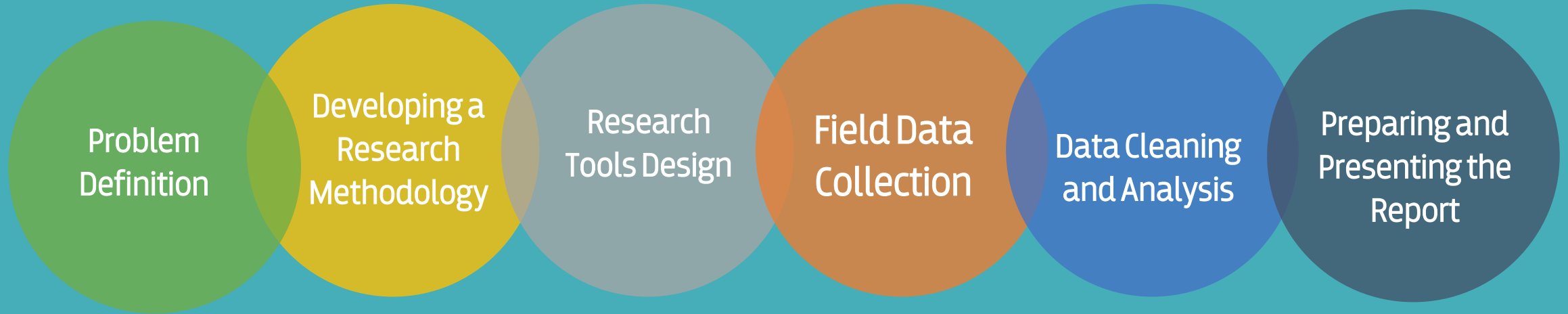
It is the collection of data and information about competitors, the presence and spread of products at sales outlets, market share, demand growth rates, selling prices, selling incentives, marketing and promotion methods used, etc.

## Product Study

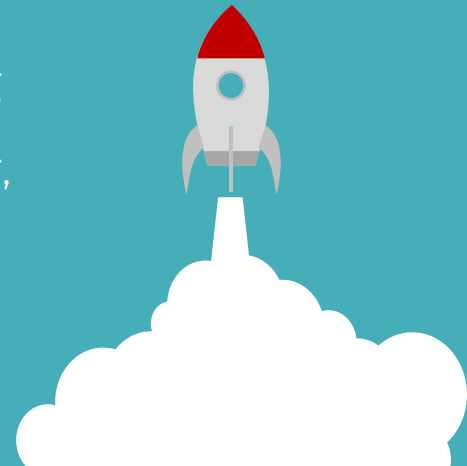
It is a collection of data and information about product characteristics, shapes, sizes, types, sources, technical characteristics such as components and other data related to the product.



# Steps for Preparing Marketing Research



According to the practical framework for conducting marketing research, the steps for preparing marketing research consist of six steps, and it must be noted that the contents of these steps differ from one study to another, and the steps are affected by the background of the person who is conducting the study.



# Steps for Preparing Marketing Research

## 01 Problem Definition

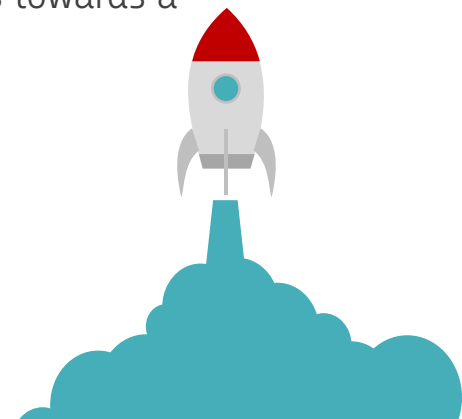
Defining the research problem is clarifying the purpose of the study, the information to be collected, and how it will be used in decision-making. This step includes meetings with decision-makers, industry experts, and preliminary analysis of secondary data, and may also contain qualitative research through focus group discussions.

Marketing research is based on three objectives (exploratory research, descriptive research, and causal or explanatory research).

**Exploratory Research:** It is used to better define the problem or opportunities through the use of focus groups.

**Descriptive Research:** It is used to evaluate a situation in the market (such as consumer attitudes towards a particular product) through the methods of personal interviews and opinion polls.

**Causal or Explanatory Research:** It is used to test the relationship between a cause and an effect.



# Steps for Preparing Marketing Research

02

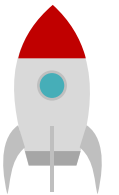
## Developing a Research Methodology

The second step includes formulating the research framework and identifying the characteristics or factors that affect the marketing research. During this step, those who are conducting the study are guided by discussions with the management and the industry experts, the case studies and simulations, the analysis of the secondary data, and the qualitative research such as (focused discussions with customers).

In light of the analysis of (secondary) data and the focus group discussions held with the experts, the research methodology that will be followed during the implementation of the study is to be determined.

Desk Research (Secondary Data)

Field Research (Primary Data)



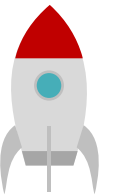
# Steps for Preparing Marketing Research

## 03

### Research Tools Design

In this step, a detailed explanation of the procedures that will be followed to obtain the required information is presented. This plan includes a clear and accurate design of data collection methods, as follows:

- Secondary data
- Qualitative research
- Quantitative research (survey, observation, experimentation)
- Specify the required information
- Measurement procedures
- Questionnaire design
- Determination of samples, sample size
- Data analysis plan



# Steps for Preparing Marketing Research

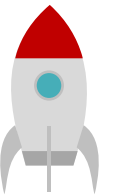
## 04

### Field Data Collection

According to the methods and manners that are agreed upon, the characteristics of the data collection team are determined. It is advised that those who collect field data should be chosen very carefully and work on training them on data collection tools in order to reduce data collection errors.

It should be noted that marketing research aims to provide accurate information that accurately reflects reality, and; therefore, it must be conducted with integrity and without any personal bias of the researcher or the management.

To ensure that no errors are made during data collection, it is preferable that the methodology to be tested by taking an experimental sample.



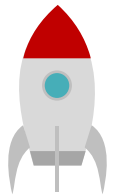
# Steps for Preparing Marketing Research

05

## Data Cleaning and Analysis

During this stage, the data is carefully cleaned, revised, edited, coded, transcribed, and verified in order to analyze it correctly. To achieve this, statistical tools and methods are used in order to help in evaluating the validity of the data collected.

It is advised during this stage to identify the results that have been reached, and to try to avoid bias when interpreting the results of data analysis. Even if the results fail to achieve the hypotheses, this does not mean that the research results are useless.



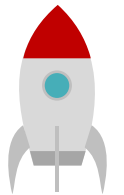
# Steps for Preparing Marketing Research

## 06 Preparing and Presenting the Report

During the preparation of the report, all steps that the study went through must be documented, starting with defining the scope of the study, describing the methodology used, how the research tools were designed, the procedures that took place during data collection from the field, how the data were analyzed and the statistical methods that were used, and the presentation of the most important results that have been reached.

It is worth noting that a successful presentation of the report must include the following:

- The final conclusions reached.
- Recommendations about solutions and how to implement them.
- Use charts and graphs that help display important facts and make the presentation of the report easy to understand and memorable.



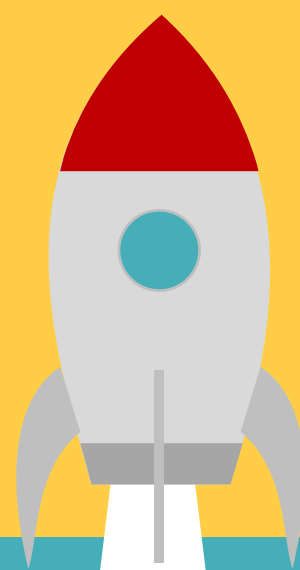
## Practical Case

Detergent Market Study  
Plan

Write the expectations  
on the wallpaper

## Practical Case





# **Marketing Research**

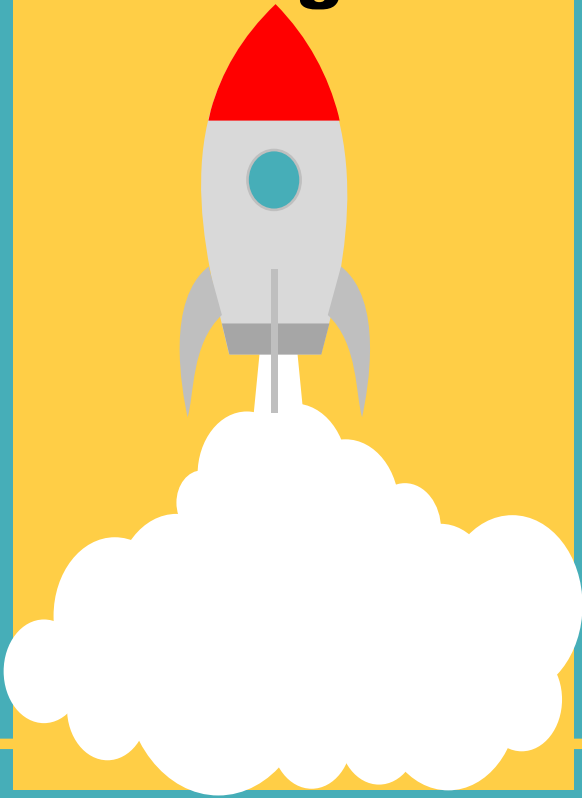
## **The Lifecycle of Small Businesses**



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## Product Pre-introduction Stage



The first stages of developing new products are characterized by interest in marketing research and its high cost, and marketing research activities can begin at the stage of obtaining new ideas for the proposed product, then followed by technical research conducted by research and development departments that are concerned with technical tests of the proposed product, then the role of marketing research comes in testing the various marketing elements before introducing the new product to the market. Marketing research at this stage usually includes conducting the following studies:



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# The Most Important Studies during the Pre-introduction Stage

## Market Target Studies

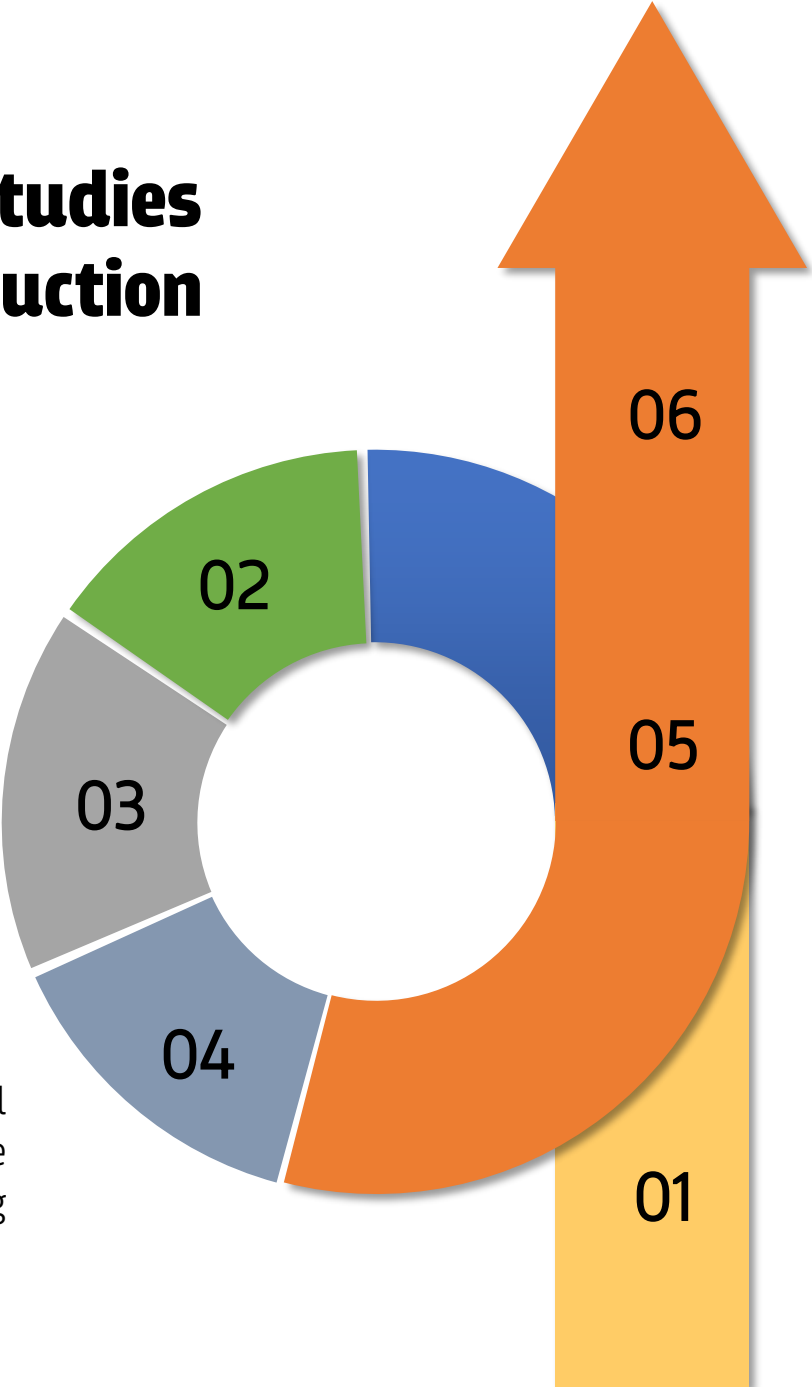
To which market segment will the product be directed?

## Market Testing

What is the competitive structure in the market? What is the company's expected share in industry sales? or in sales activity?

## Product Testing

Does the product meet the functional expectations? What is the quality of the product compared to the competing products?



## Advertising Message Test

Does the advertising message contain the benefits being promoted about the product?

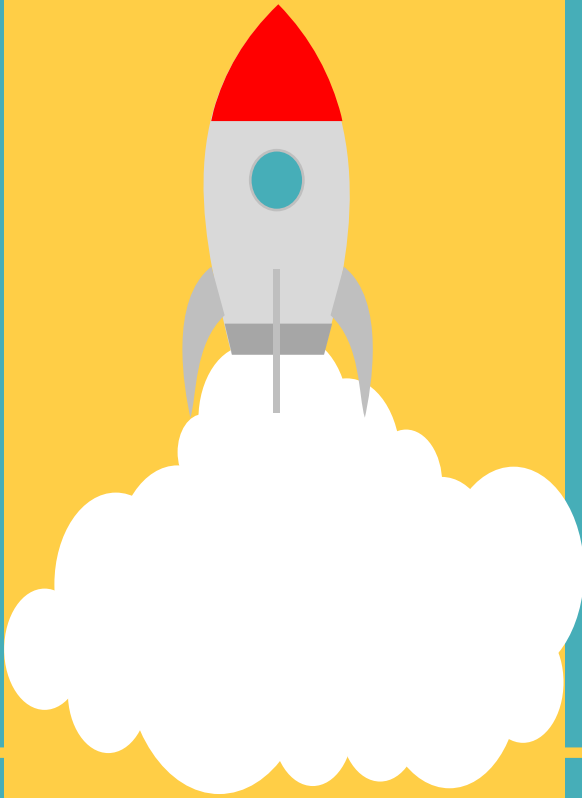
## Packaging and Trade name Studies

Is the trademark and the package are designed to attract consumers attention? Are they compatible with the nature of the product?

## Testing the Basic Concept

How attractive is the product concept? For which sector is targeted? What are the benefits of the product concept that attract the target sector?

## Introduction Stage



The introduction stage is of great importance for the life of the product in the market. At this stage, we find that the main concern of marketing research is to ensure that everything that happens in the market is in line with the prior expectations. Therefore, path-setting studies are of great importance at this stage.



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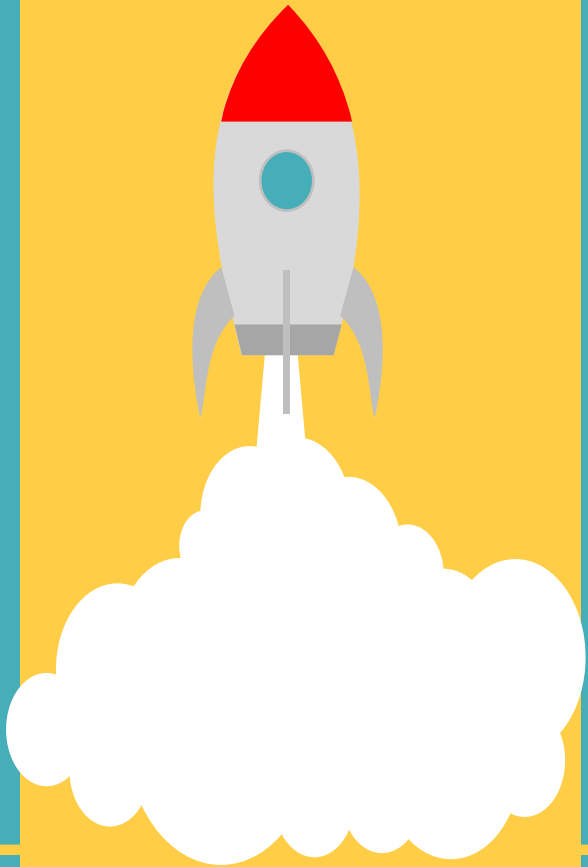
# The Most Important Studies during the Introduction Stage



What do we study during the Introduction stage?

These studies are mainly concerned with studying the consumer's awareness of the product, his interest in it, and his experience with it. These studies are usually carried out through a survey and knowing the degree of consumer awareness of the product. If it is found that this awareness is low, the solution may be to change the course of the advertising campaign. However, if the rate of purchase and repurchase is low, the problem may be in the quality of the product, as it does not meet the needs of its consumers. The measures to remedy the situation are taken.

## Growth Stage



At this stage, sales are increasing at a rapid rate. However, the marketing manager must follow the sales movement and conduct the necessary studies, which may include the following:

# The Most Important Studies during the **Growth Stage**



## Determine the Competitive Position:

This is done by reviewing the advertisement and ensuring that the content of the advertising message includes the contributions and characteristics of the product. This may refer to a study of new market sectors the product can reach. In short, determining competitive position should review the appropriate mix of product, price, promotion, distribution, people, physical evidence, and marketing procedures and processes in order to reach the best competitive position in the market.

# The Most Important Studies during the **Growth Stage**



## Forecasting:

Studies should be conducted on sales trends, especially repurchase by regular consumers or attracting new consumers (other than current users of the product) with the aim of obtaining a high sales volume compared to competitors.

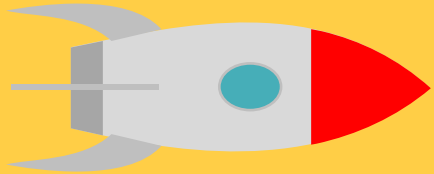
# The Most Important Studies during the **Growth Stage**



## Determine the Path of Competitors:

Following up what competitors are doing, their plans, and consumers' reactions to their products is of great importance at this stage on the company's sales and its ability to benefit from making the growth stage take a longer period of time. This may result in adjusting the company's marketing mix to face the competitors' plans.

## **Maturity and Stability Stage**



This stage is characterized by the fact that the product has become known in the market and the sales volume increases at lower rates at the beginning of the stage and then stabilizes relatively. The goal of marketing research activities at this stage is to find opportunities that attract new interests in the product by consumers, new uses for the product, or taking the same product to new markets.



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# The Most Important Studies during the **Maturity Stage**



## Study of New Markets Entry

During this stage, it is preferable to start studying new markets entry and exploiting the relative stability of revenues and financial returns, and working to employ them in order to enhance sustainability in general and financial gain for small business owners in particular.

# The Most Important Studies during the **Maturity Stage**



Studying an  
Integration  
Strategy at  
the Vertical  
level to the  
Top

Strategic thinking about following an upward vertical integration strategy, which means starting to invest in companies that supply your company with raw materials.

# The Most Important Studies during the **Maturity Stage**



Studying an Integration Strategy at the Vertical Level Downwards

Following the downward vertical integration strategy means starting with investment at the level of sales circles, such as the investment of a pharmaceutical company in opening its own pharmacies.

# The Most Important Studies during the **Maturity Stage**



Studying an Integration Strategy on the Horizontal Level +

Strategic thinking in following the strategy of **positive horizontal** integration is to start investing in establishing companies directly related to the activity, such as: establishing a sister company specialized in providing marketing and promotional services.

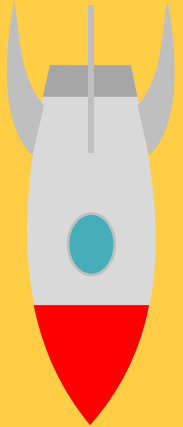
# The Most Important Studies during the **Maturity Stage**



## Studying an Integration Strategy on the Horizontal Level-

The strategic thinking in following the strategy of **negative horizontal** integration is to start investing in establishing companies that are not directly related to the activity, such as buying shares in companies that have nothing to do with the activity of your company.

## Deterioration and Decline Stage



At this stage, sales and profits decline and the product becomes less attractive to the consumer, but the interest remains in knowing the reasons for this phenomenon: is it because consumers are reluctant to use this type of product because of the emergence of new technological developments, or because of the emergence of other products in the market that are more competitive .



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# The Most Important Studies during the **Deterioration and Decline Stage**



## Following the Strategy of Reducing Financial Expenditures

Some marketing managers suggest that marketing research costs should be reduced at this stage due to low sales and profits. But research can be done on a small scale, such as studies to reduce costs or prices, or to study the impact of the decision to drop the product from the product lines on the rest of the products within the line, ... and so on.

# The Most Important Studies during the **Deterioration and Decline Stage**



Following a comprehensive development plan for the services and goods

Companies begin to think about studying the situation and identifying the reasons behind the low level of sales and revenues achieved by the company, and start adopting a comprehensive development plan that may require developing products and ways of presenting them, changing the shape of product packaging and focusing on new developments, and adopting promotional campaigns to introduce the company's new developments.

# The Most Important Studies during the **Deterioration and Decline Stage**



Studying the Possibility of Entering into new partnerships

When the company is unable to cope with the decline in activity revenues due to the reluctance of consumers from the goods and services it provides, it begins to think about entering into new partnerships by inviting new investors to supplement the project with new funds that help developing the goods or services it provides.



End of the Third Session



Thank You!